



Leadership in a Global World

What's new and
what's the same

Mick Yates, 2008

Table of Contents

1. What this chapter is all about	4
2. Global Leadership	6
3. What's New about Globalization?	9
<i>Learning from India</i>	9
<i>The moral of the story</i>	9
A. <i>Democratization of Decisions</i>	11
<i>The Leadership Lesson: Distributed Leadership</i>	12
B. <i>Building Relationships</i>	12
<i>Learning from Thailand</i>	13
<i>The moral of the story</i>	14
<i>The Leadership Lesson: Networks of Trust</i>	15
C. <i>The Global – Local Paradox</i>	18
<i>Learning from Europe</i>	18
<i>The moral of the story</i>	19
<i>The Leadership Lesson: Loose-Tight Innovation</i>	19
D. <i>The Need for Personal Engagement</i>	20
<i>Learning from Japan</i>	20
<i>The moral of the story</i>	21
<i>The Leadership Lesson: Strategic Engagement</i>	21
4. Cultural Considerations.....	23
A. <i>Masculinity / Femininity</i>	25
B. <i>Uncertainty Avoidance</i>	25
C. <i>Individualism /Collectivism</i>	26
D. <i>Power distance</i>	26
<i>Leadership Lesson</i>	27
5. Leadership Essentials are Unchanged	29
• <i>Leadership requires values congruence between all of the players</i>	30
• <i>Leadership and change are synonymous – Leaders innovate</i>	30
• <i>Leaders and followers are interdependent – they can't exist without each other</i>	31
• <i>Leadership is about successfully handling complexity</i>	31
• <i>Leadership is a teachable process</i>	32
<i>The 4E's Framework</i>	33
<i>The 4E's Framework is contingent ...</i>	35
<i>Case study</i>	36
<i>Learning from Cambodia</i>	37
<i>The Moral of the story</i>	38
6. Global Leadership Framework.....	39
A. <i>Distributed Leadership</i>	39
B. <i>Loose-Tight Innovation</i>	40
C. <i>Networks of Trust</i>	41
D. <i>Strategic Engagement</i>	43
7. Summary	44

8. Bibliography..... 45

1. What this chapter is all about

My aim is to explore how the impact of Globalization is changing the nature of Leadership.

Yet, that said, much about the Leadership process has not really changed throughout history. It requires identifying and articulating a clear vision, an effective (and competitive) tool kit, appropriate organizational structure, and empowered and energized people. It has also become clearer over time that Leaders and Followers must share a common set of values and beliefs.

The literature shows that Leadership is a multifaceted activity (a process) and not an abstract concept. Effective Leadership is all about change (Kotter, 1990) combining action, people and organizational skills (Fiedler, 1967; Hosking, 1988). Leadership is a process (Bass, 1978) and it can be learnt (Grint, 1995). Leaders and Followers are inseparable (Burns, 1978), and Leadership is a moral activity (Gardner, 1990; Heifertz, 1994).

Armed with this background, the author's professional experience and subsequent research have helped build a simple Leadership Framework. Its aim is to analyze what Leaders do and how we can all do better. This 4E's framework (Envision, Enable, Empower, Energize) is focused on "actions in use" rather than "espoused" competencies, individual styles, or personality types. It attempts to isolate common characteristics of Leaders, rather than create some kind of "super-set" of perfect Leadership.

We'll explore details later, but in short:

- **Envision:** Values-driven setting of goals and strategies
- **Enable :** Identification of appropriate tools, technologies, Organization and people
- **Empower:** Creation of trust and interdependence between Leaders and Follower
- **Energize:** Personal Leadership motor to drive the entire system

Yet, the complexity faced today suggests that Leadership must be **Distributed** rather than focused on a small group of individuals (Gronn, 2002 and others). Only then can organizations utilize the combined power of everyone in the enterprise to meet the challenge of ever more complex range of issues they face. Distributed Leadership as a concept was probably first coined by Gibb (1954). But it is only relatively recently with the growth of networks, virtual teams and communities of practice that it has been broadly studied. Gronn suggested that Distributed Leadership has two threads:

1. **Numerical or additive**, which refers to “the aggregated Leadership behaviour of some, many or all of the members of an organisation or an organizational sub-unit”. It means that Leadership is “dispersed rather than concentrated”.
2. **Concertive action**, in which distributed Leadership is more than the sum of its parts. Distributed Leadership is about the Leadership which emerges from “multi-member organizational groupings” and is defined as “the demonstrated or presumed structuring influence attributable to organisation members acting in concert”.

Building on this Leadership base, and to help us all grapple with the complexities of the Global world, I have created a simple Global Leadership Framework. This has four areas of focus:

- **Distributed Leadership**: Creating the environment, common value system and training to build and encourage Leadership at all levels of the enterprise
- **Loose-Tight Innovation** : Using clearly defined “success models” to roll out quickly and efficiently across the world balanced with “local innovation” driven by real (and not imaginary) customer needs and differences
- **Networks of Trust**: Creating communities of innovation across the enterprise which share ideas and expertise and which helps their members to grow to trust each other – and which learn from today’s science of Networks
- **Strategic Engagement** : Ensuring everyone in the Enterprise understands the strategy, shares its values and is engaged in executing its plans

And I am suggesting that we use “Envision, Enable, Empower, Energize” to organize this framework.

2. Global Leadership

I want to be clear about my start point - Globalization is a positive force and it is irresistible. I make no apologies for that statement. Having visited India, Russia and China in the 1970's, it is clear to me that people in those Countries are on average much better off today than they were 30 years ago. Yes, there are many challenges, many people still must escape poverty, and many need to be truly free.

But the general sweep of human history is positive, and never more so since the end of WWII.

Globalization has always been a force in the world, from the expansion of ancient empires through to the age of discovery and then the era of colonialism. These gave way to major Industrial shifts and today's drive for efficiency and lowest production costs from around the world. Add to this the interconnectedness of political and social concerns, unparalleled impact from computer and telecommunications technology, and the ubiquity of the Internet – and Globalization is here to stay.

What makes understanding Leadership today quite challenging are several almost paradoxical pressures. There is an explosion of information and knowledge, and occasionally wisdom, from the burgeoning "knowledge economy". This means that

Biography: *I spent over 35 years roaming the Countries of the world, both in business and in social development roles. 22 years were at Procter & Gamble (P&G), almost 6 at Johnson & Johnson (J&J), and 6 years as a Board Trustee of Save the Children (USA). I also founded www.Leader-values.com, now one of the world's top sites in the field of Leadership development. My career led to 11 years living in Asia Pacific, 3 in the USA, and the rest wandering across Europe. Recently, I've been working with clients in South Africa and Latin America. And our six children, born in 5 countries, on 3 continents refuse to be considered anything other than Global citizens. We are all just biased, I guess!*

even the most efficient of today's Organizations struggle to keep up with rapidly changing customer needs and competitive innovation. They require ever more specialized responses yet also a broader contextual understanding of the customer's issues. To compound things, there is a simultaneous convergence and divergence in science and technology. No one scientist can understand all science, as specialization is essential. Yet there is much crossover, e.g. from biological computing, to the need to understand physical fluid dynamics in the practice of advanced surgery.

And the multiplication of alliances, business networks, outsourcing and the like, both internal and external to the Enterprise, make it hard to drive focus and simplification in delivering consistent results.

Of course, in the political and social arenas we must also take account of the various views on the “war on terror”, and the on-going tussle between developed and developing nations. And we have (it seems) more and more Countries and nationalities to understand and contend with than ever before in history.

There are 101 definitions of Globalization, although most of them seem to be “economically based” and are built around “open markets in a borderless world”. Globalization is an intense engagement in both economic and social openness, and today’s Leadership must reflect this. Held and McGrew called it “a widening, deepening and speeding up of interconnectedness in all aspects of contemporary social life from the cultural to the criminal, the financial to the spiritual”. One of the better formal approaches to defining “Globalization” is from the Consultancy group KOF, who publish annual indices on how Global countries are (Belgium is the current world champion). Their index reflects:

- **economic globalization**, characterized as long distance flows of goods, capital and services as well as information and perceptions that accompany market exchanges
- **political globalization**, characterized by a diffusion of government policies
- **social globalization**, expressed as the spread of ideas, information, images and people

So, how should Leaders think and act to both embrace Globalization and then to “manage it”? I’d suggest that the economics side is now well trodden territory, and, whilst political policies need careful and systematic understanding, even these are getting to be manageable – witness the success of multi-national companies and today’s interconnected world of commerce.

I want to focus on the social side of Globalization as this remains most challenging for Leaders. And, as I have studied the issue, one question that always raises itself is which of the historic “truths” of the Leadership process can we hold onto, and which need to be modified to reflect the modern era?

There are many “macro” social drivers which are forcing us to think in new ways, starting with technology and economics. But I also contend that individual human aspirations (the “micro” view) suggest that people want similar things from their Leaders as they always have done.

Let's start the exploration with what seems new in today's version of Globalization, and then we will start to explore how to Lead in this world.

3. What's New about Globalization?

Let me start by telling a short story.

Learning from India

In the early 1990's, I was responsible for a business which was introducing a concentrated powder detergent into India. Now, this might not sound a big deal, but India at that time was not only the biggest market for detergents in the world, but most people used bar soap and took up to 5 hours to do the daily laundry. The new powder used world-class technology, and even had the same name as its European cousin. It allowed soaking, less manual labour, and at least halved the entire washing time. The team had decided to sample the product to more affluent households because, although the cost per wash was the same as before, the actual unit packet price was a lot more than bars of soap. The initial "capital" outlay for the consumer was quite high by Indian standards of the time.

After the launch we were walking through Visakhapatnam, the town on the East Coast of India where we were test marketing. I was stopped by a lady who walked out of a "shanty". Unfortunately I did not catch her name. Whilst she was clearly not very well off, she asked me if I'd like tea, in very understandable English. She explained that she had seen the TV advert for the new product.

She told me in no uncertain terms that we were not giving her a chance to try it, as she had not received a sample – and she could not just risk the amount of money needed to buy a whole packet. She was also very clear that sending her children to school in clean, white blouses was as important to her as the "richer" people. Needless to say, we gave her and her friends some free samples.

The moral of the story

When it comes to the most important things in life, people often want very similar things. OK, so in India the marketing execution needed to be tailored, but not the product fundamentals or the value proposition to the customer. 80% of what we were doing would apply to most markets of the world.

The 20% tailoring made all the difference, but we were right to start with what was the same with the rest of the world, rather than start with what was different.

Meeting the Indian Lady taught me a lot about Global common ground, the leap frogging of technology in developing markets, and the “80:20” rule. Since then, my core operating principle has been that people are more the same than they are different. Of course, there are historical, cultural and economic differences. But a good place to start any Leadership dialogue is to figure out where our common aspirations and needs are.

The Indian lady wanted exactly the same as her European counterparts – she wanted the ability to choose for herself. She also had the same basic need – to get her laundry done as easily and cheaply as possible. Even the “meta need” (to send her children to school as smartly as possible) reflected the thoughts of parents the world over. She really did exemplify Pareto’s “80:20” rule.

So how can Leaders’ get to grips with this 80:20 rule, to both isolate what is the same and then be able to understand and respond to unique local needs and characteristics? All over the world customers are continually upping their expectations of the products and services they use. And in the fastest growing markets consumers are “leap frogging” traditional technologies. For example, China and India now have the world’s biggest mobile phone user bases. So, from a product and services point of view we are usually best to use “highest common denominator technology” for the most competitive delivery of benefits.

But what about the Organizational side of things. What is today’s “highest common denominator” approach to Global Leadership and Organization development?

From a practical perspective, focusing on similarities allows us to build constructive discussion and a move towards shared goals. But if you start by seeking out and highlighting differences, you will find it harder to create a shared understanding. Focusing on differences pushes us towards confrontation and a debate about who is right and who is wrong.

Can we therefore pick a few “common ground” social drivers in today’s version of Globalization that will allow us to do a better job? I do not mean the technology or the economic changes noted above, but some of the deep rooted social changes which drive people’s needs, ideas and behaviours. As a

filter, my premise is that Leaders and their Followers must develop congruent value systems for them to mutually co-exist and co-operate. More on that later.

There are at least four major social trends which impact this, and each has special Leadership lessons. The first is the increasing democratization of decisions of all kinds. Next is a desire to build our relationships, fueled by new technologies and the creation of networks going well beyond our immediate geographies. Thirdly, there is increasing pressure on the “Global – Local” paradox, where it seems we all want similar things yet we all want more local choice. And, finally, the need for more personal engagement in Enterprises is reflected on the “macro” stage and in our workplaces.

A. Democratization of Decisions

We take this for granted, and when we don't have it, we want it. Whilst in the West we seem to vote less than we used to, we still demand the right to have a vote and to be heard. Of course, part of this is an increasing demand for transparency and good governance reflecting the recent “CEO Scandals”.

In the developing world, there are struggles for more democracy everywhere, and a demand for the rule of law. As these Countries move swiftly into the 21st century, they work hard to keep the best of their traditional culture with the most helpful aspects of the modern world. Democratization tends to be a fundamental plank of modernization.

Late in 2007, Hong Kong's Chief Executive announced that the Beijing Government will allow the territory to directly elect its Leader by 2017 and all its lawmakers by 2020. Now this is a long time in the future, but it is an inevitable result of China's social and political evolution on the Global stage.

At work, we also want to be heard and respected, and we want people to abide by collective rules. The best Leaders have always reflected the needs of their followers, and, in that sense, they have democratized decisions. But the days of one Leader “deciding” for everyone are long gone. Yes, Leaders point the way. But they must be ever more cognizant of the needs and desires of their constituencies and stakeholders, or else they will lose their place.

Witness what has happened to so many CEO's in the past five years. And the move off-stage of a seemingly impregnable politician such as Tony Blair underlines that no one is above public opinion. The desire we all have to know what is going on, and to have a say in things, is amplified by today's

24x7 communications. Every Leadership decision is scrutinized, whether at the highest level of political theatre, or on the shop floor.

The Leadership Lesson: Distributed Leadership

No one individual can handle all of this democratization. Leadership is no longer positional, or belonging to just a few people. Technology is too complex, democratization so widespread and social interactions are too diverse. Leadership must have a common purpose and shared values which allow it to fluidly move around depending on need, expertise and the personal desire to lead in certain circumstances.

Hierarchy lost out to teams in the 50's and 60's, and matrices became de rigueur in the 70's and 80's. Networks are increasingly seen as the main metaphor of today's Organization, and within them ideas, concerns, actions and emotions move around constantly. Leaders can spring up in unpredictable areas and in unexpected ways. But what if an Enterprise can harness this power?

"Distributed Leadership" is a concept that is now coming into its time. We need to have Leadership responsibility move around an Organization depending on the need, expertise and opportunity, rather than have it positionally fixed in a frozen Organization chart.

We will return to Distributed Leadership as we build our Global Leadership Framework.

B. Building Relationships

To one degree or another we're all proud to be a national of our Country. Even people most noted for political cynicism (could that be my fellow English?) defend the hard won rights of their national laws, culture and social system. And we often use this to define our place in the complexity of the Globe.

But today we also want to be part of non-geographic communities, both real and virtual. Increased leisure time has led to a myriad of clubs, sporting complexes and entertainment facilities across the world. And, in the virtual space, the explosion of social network sites such as MySpace, LinkedIn, flickr and Facebook demonstrate the need in all of us to qualify our lives in terms of relationships and not just geography. It appears we see these communities as ways of defining who and what we are. And we are learning how to pick and choose the positives and negatives from all of our affiliations. We

value our friends, we block who we don't value, and we pride ourselves in choosing to be with like-minded groups. Empires today are increasingly built on shared values, ideas and common interests, whatever one's geographic or ethnic origin. They are increasingly about personal relationships.

Once more let me tell a short story.

Learning from Thailand

In the middle 1990's, Johnson & Johnson was figuring out how best to balance their very successful "autonomous business unit" approach with the need to share best practice and build regional cooperation. Other companies had adopted a very "Global" approach, pushing out common products and services everywhere as fast as possible – and some had stuck almost religiously to local independence. J&J wanted to find a balance which better suited the Company's culture.

My role was Company Group Chairman for the consumer business in Asia Pacific. Our management team had determined to create Asia-wide brand teams – maybe not a novelty since other companies started these in the 80's in Europe, but certainly a change for J&J in Asia.

Early in the process I was having dinner with a group of marketing people from J&J's Thailand Company. A young brand manager asked

"Tell me, what it will be like when we do what you say we are planning to do?"

I answered

'Today, when you have a problem you can't solve on your own, you ask your manager, and then if he can't help he or she escalates the question up the hierarchy. At some point it may reach me. This all takes time, and is very bureaucratic. In the future, you will know a colleague in, for example, Australia, who may not know the answer but will be able to put you in touch with someone who can help.

You will take what they offer, modify it to your local needs and armed with the 'answer', you tell your manager how you've resolved things. In this new world, you are in charge, not me.

You will balance the best practice from around the world with your local knowledge, and your personal network of contacts will help you succeed'.

The moral of the story

Often an Enterprise “pre-Globalization” is built on strong geographic, functional or service line structures and processes, which are honed as it becomes successful.

Whilst it is obviously important to retain strong skill sets and competencies, this very strength can lead to a negative mentality.

People tend to trust what they know, and are resistant to change. We all rely on existing relationships before we move to new ones. To change, we need to feel more comfortable with where we are going than where we have been. Leaders must build shared responsibility and trust, aiming to break down these silos at every level - Enterprise, team and individual.

Critical to trust is the sharing of values, clear roles and responsibilities in the new environment, and strong personal relationships within the group. Clear communication about what is expected in the future state will be absolutely critical.

What are the critical components of trust?

Common Goals	3%
Common Values	31%
Personal Relationships	23%
Clear Measurements	3%
Strong Leadership	8%
“Trust but Verify”	5%
Clear Roles and Responsibilities	23%

In the business world, Western Enterprises tend to view the value of their business as the sum of its transactions. The measurement focus tends to be on shareholder value. There is a transactional bias, in that stakeholders get a return based on the specific activities of the business.

In Asia, shareholder return is also important. But the perceived value of a business also usually includes the sum of its relationships. Effort is applied to building strong relationships with customers, suppliers, employees, investors and even competitors. Witness the rise of Toyota, just in time manufacturing and the Total Quality movement as a whole which all depend on excellent supplier relationships.

Today, Western companies are also working hard to improve their relationships with all of their stakeholders, in what can only be described as a positive blurring of Global paradigms. Tesco is a great example. It is one of the most successful retailers around, and like many of their competitors they have a customer loyalty program. Perhaps uniquely though, Tesco say that the program is “to

allow them to be loyal to their customers”, and not the other way around. Leaders who want the loyalty of their followers would do well to remember this simple statement.

The Leadership Lesson: Networks of Trust

Our webs of relationships need to be formally recognized, analyzed and acted upon. The science of Networks is still a young one, but it offers many clues for Leaders who want to embrace the desire for ever-more complex human relationships.

In “traditional” or start up Organizations, Leadership is usually vested in specific individuals and personified to them. Effective personal Leadership is if anything even more important in today’s complex Organizations, but today’s networks can create significant confusion. For example, individuals may have direct authority to take decisions in certain areas, yet be only “advisory” in others. This can create negative tensions, lack of motivation and sometimes internal sclerosis.

Leadership must clarify how these processes will work, and offer a “court of last resort” to resolve issues if necessary. Sometimes a decision actually can build trust, and not negate it.

Since the 1980’s most organizations (big and small) have created matrices and networks designed to balance functional and geographic activities, competencies and learning. All matrices have flaws, yet generally the benefits are considered to outweigh these flaws. Matrices can be of many forms – e.g. functionally focused, where employees remain full members of functional organizations; balanced between functions or geographies, service lines or customer units; or project based, with movement between functions and geographies depending on need.

But all of these matrices lead to a high level of “virtuality” and multi-site Team dealings across functions and geographies. Experience suggests that some of the following get in the way of trust building.

1. **Misaligned goals and strategies.** This can occur in all kinds of Enterprises and organization structures. A colleague once said “Every organization is perfectly designed to get the results it gets”. Thus we must start with a thorough understanding of the goals and strategic choices of the Enterprise, how it is communicated, and how these both relate to the organization design.

2. **Resistance to or misunderstanding of change.** Individuals react to change in many ways – e.g. embracing it, being overwhelmed by it, or simply remaining stuck in their old ways. An effective and defined multi-step change process is essential in moving to a new matrix or Team structure.
3. **Unclear roles and responsibilities.** In the early days of a new Team, individuals are uncertain of their role (inside the Enterprise), their responsibilities (including vis a vis customers and the external world) and their own personal future development. Well defined and executed measurement processes must build on clear roles – and must not only reflect individual's specific responsibilities but also their responsibilities to the organization as a whole in their Team setting.
4. **Ambiguous or unclear decision taking processes.** In “traditional” or start up organizations, the Leadership is usually vested in specific individuals and often personified to them. Whilst effective individual Leadership is if anything even more important in Virtual Teams, the structure itself can create significant confusion. For example, some individuals may have direct authority to take decisions in certain areas, yet be only “advisory” / matrixed in others. This adds to the concerns above, and can create negative tensions, lack of motivation and (in worst case) internal sclerosis.
5. **“Silo focused” organizations and employees.** Successful Enterprises are built on strong functional or service line structures and processes, which are well honed. Whilst it is obviously important to retain strong skill sets and competencies, this very strength can lead to a negative silo mentality. Instead, we must seek to build a sense of shared responsibility and risk. Different approaches can be used to break down these silo walls, working at the Enterprise, Team and individual level. And consideration of the power of communities of practice can be helpful, here.
6. **Insufficient attention to trust building.** This often reflects an imbalance between how best to deliver the goals of an Enterprise, and how best to both empower and trust employees to independently handle the tasks at hand. Clear roles, good personal relationships with shared Values are key components to help build trust - once the goals, strategies, structures and measurements are clearly defined.

7. **Infrequent personal feedback and Team celebration.** In many multi-site Teams, the only kind of individual feedback people get is infrequent and usually via e-mail or a telephone call. E-mail is notorious in being easy to misunderstand in such situations – as it can be terse and lacking in context and nuance. At the end of the day there is no substitute for some face to face contact, especially to discuss performance issues.

Celebrations of Team accomplishments can also often are rare – other than the laudatory e-mail. I am not arguing for instituting “party time”, but even Virtual Teams need to meet occasionally to celebrate success and failure.

Poor communication is at the root of many (if not all) trust problems with virtual and multi-site Teams. There is a need to systematically build communication into the day to day activities of the Team.

- **Find ways to build face-to-face time.** It is important to have initial meetings with all Team members to define the project or scope of activities. If all members of the Team cannot physically get together, then the Team Leadership must go out of their way to travel to meet the members, carrying consistent messages.

And then they must meet face-to-face periodically throughout the life of the Team, building project understanding and commitment – and personal relationships.

- **Routinely give Team members a sense of how things are going.** There are many ways to do this – e-mail, web based, newsletters, conference calls etc. But the point is that the Leadership must systematically define and then execute this.
- **Establish a day-to-day code of conduct.** Define and share how the Team should operate – and not just at the “Values” level but in day to day operations.

For example, decide how long it should to answer phone calls and e-mails – and so help ensure that all members of the Team keep their high and lower level promises and commitments to each other.

- **Don’t let Team members vanish.** For example, use workgroup software to communicate members’ calendars, set up routine project reporting mechanisms, and establish management mentoring of junior people etc.

- **Augment text-only communication.** A picture is worth a thousand words – and Virtual Team communication is no exception.

C. The Global – Local Paradox

On a Global scale, we are ever more connected – an Asian currency crisis, or a US mortgage crunch directly affects shopping on the high streets of England. A war anywhere is now always a World War, both on TV and in reality.

Yet, in many Countries nationalism is on the rise and immigration is frowned upon despite economic need. Suffice it to say that just as things are getting more Global (with living standards going up and people wanting similar things) so the desire for fragmentation into local communities gets stronger (where we all want to have specific common interests, and, as noted above, relationships).

Let me tell a story which predates e-mail and other technology advantages, but which still illustrates some of these things and how to overcome them.

Learning from Europe

In the 1980's, as a young General Manager I was involved with helping rebuild Procter & Gamble's Pampers business across Europe. The brand had been out maneuvered by competition - better products and sharper pricing. So P&G needed a coherent way of managing across geographic boundaries in Europe to get the business fixed fast. The job was to assemble, for the first time, a "Euro-team" and make it work. And there was a catch – I did not have direct line responsibility over the Countries involved – it was a classic matrix.

The first thing to define was how to make our product better than the competition's. P&G's centralized R&D really pulled this off. They looked around the world for the best possible products, whether P&G's or otherwise. Manufacturing then upgraded all of the production facilities to make the new products efficiently. This sounds easier than it was, as a series of massive and gutsy financial decisions were taken at CEO level. But the principle of "Global Best in Class" was embraced by all.

However, Marketing was quite tricky, as every Country previously had autonomy. How should we market the new products? We applied similar rules – search out the best in class, first. The most vital

part of the Pampers business was in the Benelux, where the advertising and sampling mix had held market share in the face of major competitive challenges.

But how could we get the Germans, the Brits, the French and the Italians to accept what the Euro team wanted to do?

In fact, that was easier than we had expected. Firstly, everyone was desperate for a “business fix”. Second, the multicultural nature of the Euro team helped, by making everyone feel part of the solution.

But we still did not want the Euro team to trample on national pride or responsibility. And we were paranoid about the need to encourage ever more innovation, to stop disaster happening to Pampers again. So we jointly struck a deal – copy the marketing success model from the Benelux, but when that was running in each Country the local teams were encouraged to test anything else to see if they could do better. The Euro team not only agreed to this but helped execute it with the local team.

It worked, and a good 18 months ahead of schedule. Pampers is still market Leader in Europe today.

The moral of the story

First, look for the best available Global or regional strategies, technologies and executions in all aspects of defining a “success model”. Then encourage local innovation to beat it! In other words, deal with the Global-Local paradox by going after both ends of the spectrum at the same time, but in a measured, well understood and jointly agreed process.

The Leadership Lesson: Loose-Tight Innovation

From a Leadership perspective, we must embrace the paradox, and set a common course which is both mindful and respectful of differences yet has sufficient common ground that it is applicable to all. A great idea to spread best practice is the building of “Success Models”, discussed further below.

We need to create innovation processes which broaden the access to information and best practice, and simultaneously drive down responsibility as far as we can in our Enterprises.

I call this “Loose-Tight Innovation”. We must also use our Networks of Trust to create innovation from outside the defined boundaries of our Enterprises, as no one business can invent everything itself anymore.

Organizations such as Innocentive help connect inventors with Companies needing their ideas, and many Enterprises now use such networks to boost internal invention. Toyota has done this for years through the supplier network, and P&G uses the well documented “Connect & Develop” approach.

D. The Need for Personal Engagement

Once more, a short story may help.

Learning from Japan

At another point in my Procter & Gamble career, I became responsible for the newly acquired Max Factor business in Japan, as the President. By way of background, in Japan Max Factor is a competitor for Chanel and Shiseido, with beauty counselors in Department stores, and a flagship prestige product called SKII. It is not the supermarket brand seen in many other parts of the world.

In the first month of my stay in Japan I visited the plant at Shiga, near Tokyo. It was meant to be a first look around, meeting people and starting to form opinions. I was accompanied by Nozaka-san, the President before the acquisition, and one of the architects of the company’s success in Japan. At one point I found myself speaking formally to what seemed like 50 or so managers in the plant. During the question time, I was asked to describe the ‘next ten years of Max Factor’s future in Japan’. I felt I was a pretty experienced speaker and manager, so, helped by my translator, Yasaki-san, I proceeded to do my best with the vision.

As I started to speak, everyone took out their notepads, and started to write down verbatim what I was saying. I discovered later that the managers wanted to know not only the strategic vision but also what their role was in executing it.

Talking “big picture” just would not cut it. No one would blindly accept the ideas, and everyone needed to know where they fitted.

And, beyond understanding the plan, they also needed to get the measure of the man - their new President – me.

The moral of the story

Be prepared, don't wing it, and recognize that different cultures deal with the joining of strategy and execution in diverse ways. Leaders need to engage their Organizations in the way they want to be engaged, not necessarily how the Leaders think it should be.

Part of that engagement is strategic, and relates to the personalization of the plan. And part of it is intensely personal, where the Leader is constantly being measured, appraised and either accepted or rejected by his or her Followers.

The Leadership Lesson: Strategic Engagement

Leaders the world over tell stories, which bring the strategy alive to make sense for the individual. Think of Jack Kennedy's "By the end of the decade, we will put a man on the moon and bring him home safely". This not only energized an entire scientific and industrial strategy, it brought alive what was being done to the "man in the street". And the context (of getting to the moon before the Russians, having been beaten by Sputnik) became a source of national pride and energy.

Dave Hanna, an ex-colleague, once said that "Every Organization is perfectly designed to get the results it gets". Leaders must always start with a clear understanding of the strategic choices of the Enterprise and their goals. But how they are communicated and how employees engage with these choices is absolutely critical to success.

What makes our work most difficult?	
Technology	3%
Unclear Goals and Objectives	40%
Management of Change	6%
Poor Communications	35%
Our Work Processes	5%
Customer Needs	3 %
Managing Knowledge & ideas	5%

All Employees want to feel valued for their contribution. A working definition of Employee Engagement might be the measurable extent to which employees are aligned with and emotionally attuned to the values, goals, strategies and tactics of their Enterprise.

This can only be achieved with what I call “Strategic Engagement”. The top level “strategic story” must directly connect with everyone’s understanding of the task and their unique part in it. On the Global stage, when dealing with so many diverse views, relationships and cultural impacts, this is mission critical.

So, I hope we have established the four main Leadership lessons – the need for Distributed Leadership, Networks of Trust, Loose-Tight Innovation and Strategic Engagement.

I’d like to turn now to one area which varies across the world (Culture) and an area which seems to me to be consistent (the Leadership Process). We’ll then pull this all together with the Global Leadership Framework.

4. Cultural Considerations

Colonialism is dead, and businesses need to benefit from the economies of Global scale whilst also meeting unique local needs. As we Globalize, we need clear and well communicated strategies with the same values in action all over the world. We can't just use slogans. But if there is an "80:20" at work, how does culture impact? Is it an "80" or a "20"?

This is not going to be a completely helpful answer, but it all depends on the issue at hand. When it comes to the technology of washing products, one suspects that culture has little impact, and the "80" might even be close to "100". How it is used by the consumer is of course the "20".

But when it comes to motivation of employees, it gets trickier. Leaders must dig below obvious things (shared strategies, goals, action plans and the like) and understand fundamental values. Perhaps cultural difference is, indeed, an "80".

Too many new expatriate managers focus on the wrong things. I get thoroughly tired of hearing new expats say things like "they just don't get it", "they need to be taught", or "it is so much easier at home". We must respect diversity, and we must see "going global" as a personal learning opportunity. My advice to new expats has always been the same. First, accept an assignment because you want to learn, not because you want to get promoted. Second, encourage the family to learn what they can about the people around them to feel more comfortable in their new home. And third, learn from the new culture around you to better understand yourself and the society that you came from.

In all of the years my family has been on the road, home has always been where we were stationed at that moment, and not where we were born or where we had a vacation home.

I get equally annoyed with an over-reliance on superficial "cultural training" – how to use chopsticks, when not to sneeze, don't point your feet at people and the like. Yes, this is all useful stuff (and often necessary). But it is not sufficient. Serious Leaders need to make serious attempts to understand and respect the cultures they are dealing with.

Giles Amado noted that:

“The intention of understanding is a key issue – perceived on both sides – to create a positive climate. Respect for others is a common language: This overcomes many cultural and communication barriers, if it is honest and not manipulative”.

As he also suggested ...

“Find the Japanese in you is a way of respecting and working with other cultures”.

... which implies that we should all operate at a human level with other humans, rather than attempt to create some artificial constructs of understanding and interaction. But to operate at that “human level” we must understand the other person – not just the facts and opinions being communicated, but the cultural and social context in which they are being offered.

The work of Geert Hofstede is, in my opinion, amongst the most useful on understanding the core cultural differences across the world. I have often found his insight into the way different nationalities think and behave as the most powerful advice I have received on cultural issues.

Hofstede conducted one of the largest scale social studies ever run. It was executed across 40 Countries with over 100,000 respondents in the late 60's and early 70's (China was unfortunately missing, given its Maoist exclusion from world affairs at that time). The study was conducted inside one Global corporation (IBM) which provided a standardized work environment, and so allowed Hofstede to focus on isolating deep rooted social differences.

He identified four axes of similarity and difference across nationalities - **“Masculinity/Femininity”**, **“Uncertainty Avoidance”**, **“Individualism /Collectivism”**, and **“Power Distance”**.

The discussion below is based on *“Culture's consequences: International differences in work-related values”* Sage Books, 1980. Hofstede published follow up studies in the 90's and he updated the classifications. Fons Trompenaars and Charles Hampden Turner built on his work, but to my mind nothing seriously challenged his original conclusions.

In any case, the intent here is to focus on the big differences between nationalities rather than details (any errors in the analysis are mine).

As a start point, Hofstede defined culture as collective programming, viz:

“Culture is the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture ... is a system of collectively held values.”

A. Masculinity / Femininity

On this axis, the dominant values in society are material success (money and things) which represent “Masculinity”, versus caring for others and the quality of life, representing “Femininity”. If a nationality has high Masculinity, there is a focus on equity, competition, and performance. Managers are expected to be decisive and assertive. With a Feminine culture, there is stress on equality, solidarity, and quality of work life. Managers use intuition and strive for consensus.

Japan, Italy, the UK, Germany and Mexico are more “masculine” than the US. On the other hand France, India and Brazil are more “feminine”, with Scandinavia and the Netherlands ranking the most feminine in the world.

A Leader cannot (and should not) attempt a personality shift when crossing cultures. You are what you are, and you must be authentic to yourself or else no one will respect or trust you. But you can respect the needs of the people around you, and how they want to be treated.

That is the real lesson for a Leader – that the combination of personal respect and broad cultural understanding is the key to mutual success.

B. Uncertainty Avoidance

This is the extent to which people feel threatened by ambiguous circumstances and have created beliefs and institutions to avoid such conditions. “High Uncertainty Avoidance” means many rules and low tolerance of deviant ideas, with much resistance to change.

“Low Uncertainty Avoidance” suggests fewer rules and a high tolerance for deviant and innovative ideas.

Here, an observation is that the US/UK “special relationship” comes to the fore, as the people of neither Country like rules being applied to them.

By contrast the French seem to really want to know where things stand, whilst most European Countries seem to be in the middle. Interestingly, whilst Japan (and Countries such as Mexico, Turkey and Belgium) was relatively high on avoiding uncertainty, India, Hong Kong and Singapore seem to thrive on it. This underpins the undoubted entrepreneurial spirit in all three Countries.

The Lesson? Leaders need to understand the basic “innovation spirit” in their people. But they must also be aware that great ideas come from everywhere and not just from the so-called “low uncertainty” cultures.

Their aim must be to get everyone more comfortable with uncertainty and ambiguity.

C. Individualism /Collectivism

“Individualism” applies to societies in which the ties between individuals are loose: everyone is expected to look after themselves and their immediate family. Identity is thus based on the individual, and task orientation prevails over relationships. “Collectivism” reflects societies in which people from birth onwards are integrated into strong, cohesive groups, which throughout their lives protect them in exchange for loyalty. Identity is based on one’s social grouping, and relationships prevail over tasks.

Individualism is one thing the Americans, Brits, Dutch, Australians, Italians and the French all share. No wonder we are all trying to pursue our own agendas. In fact, most of Europe is moderate or high on this count. Europe might have been the birthplace of Socialism, but apparently we all still prefer to be individuals! It is in Asia and Latin America where things really move towards collectivism, including Countries such as Singapore.

Interestingly, India and Japan rank about in the middle.

A Leader’s role is, of course, to help everyone feel part of the collective endeavour. In that sense, it is a collective activity. Yet to become part of the whole, people need to feel free to be themselves. Helping people express themselves is often a way to get a shared sense of belonging.

D. Power distance

This is the extent to which the less powerful expect and accept that power is distributed unequally. A “Low Power Distance” means that the Manager should be a resourceful democrat, as having hierarchy in Organizations is seen as exploitive. A “High Power Distance” allows the Manager to be a benevolent autocrat, as hierarchy in Organizations is believed by all to reflect natural differences.

Again, there is lots of similarity between the US, the UK, Italy, Netherlands and Germany. All expect more “democratic” management. France and Belgium are at the other end of the scale, in the company of most Asian and Latin American Countries.

Not surprisingly, I believe that the days of the benevolent dictator are just about numbered. Still, it is useful to point out to your team when you are in “democratic” mode, and when you are “making the decision”. Leaders can do both, as long as their teams know which is which.

Leadership Lesson

This “macro level” cultural understanding is very useful in modifying approaches in different Countries. But, how do you use it? I offer two approaches which can help dealing with multicultural and multi-ethnic groups.

Facilitation: Leading across geographies and cultures needs actionable facilitation rather than directive hierarchy. The best Leaders must learn and then teach facilitation skills. Grossly oversimplifying cultural differences, Westerners tend to expose their ideas with words, whilst Asians tend to expose their values with actions.

Bringing both out in discussion is fundamental to successful facilitation.

Action Learning: The most effective people (and change) programs are built around real business issues, not theories, and they deliver measurable results. In my experience there is no substitute for getting diverse teams to work together on common problems.

For example, at Johnson & Johnson in rolling out the “Standards of Leadership” in Asia-Pacific, we used action workshops focused on real business projects. This both encouraged learning about the Leadership standards and drove results useable in the marketplace. We also grouped the workshops

with a mixture of “natural” team mates and newcomers to the subject to encourage divergent thinking and innovation. It is often helpful to have teams who have no real experience of each other to tackle such problems, to break down historic silos and to start to build trust.

So much for the cultural differences. But what about the Leadership process rises above both time and culture? What is essentially unchanged about Leadership in this new Global world?

5. Leadership Essentials are Unchanged

Despite the massive changes in the world today, many aspects of the Leadership process have not changed throughout history, and seem to be independent of culture and Country. There are many definitions of Leadership, so let me be brave enough to offer mine. It is worth noting that this embraces Leadership as a process and not a position or an individual.

“Leadership is the energetic process of getting other people fully and willingly committed to a new course of action, to meet commonly agreed objectives whilst having commonly held values”.

Historically, Leadership was defined by personal traits or “great man” theories and transactional or output based thinking tended to dominate. In the late 1960’s to the 80’s contingency and situational theories were advanced, and writers such as Chester Barnard (in the 30’s) and John W. Gardner (in the 80’s) infused Leadership study with values considerations. In the 1990’s, re-engineering and innovation Leadership was de rigueur, and today a range of approaches are on the table – visionary, charismatic, adaptive, transformational, ethical – and time will tell what history will focus on.

As the literature has developed, several themes have appeared. Organizations have been designed specifically to achieve a certain task or set of tasks, and there is an increasing attempt to balance “Enterprise needs” and “human needs”.

There is a merging of Leadership and Organizational paradigms and methodologies, and a co-evolution of thinking reflecting the science and technology of the day. The drive to be “market focused” has become ever more important, as has the adaptation to meet the challenge of multinational and Global operations.

But the fact is, whether you are a politician, a soldier, a small business owner, a multinational Leader or someone running the local PTA, all effective Leaders require a clear vision, a useful (and competitive) tool kit, a sound Organizational structure to meet the task at hand, and empowered and energized people within their Organization.

So, what appears to be common to all of these Leaders?

- **Leadership requires values congruence between all of the players**

Writers such as Barnard (in the 30's), Burns (1978), Gardner (in the 60's to the 90's), and Heifertz (1994) infused Leadership study with Values considerations. Leaders must understand and then communicate their own value systems if they are to be trusted and followed.

Burns dismissed Machiavelli (and Nietzsche's) theories of power as being amoral, and favored what he considered moral Leaders without the "will to power".

"... naked power-wielding can be neither transformational nor transactional; only Leadership can be".

In Burns' view, Hitler's death camps disqualify him as Leader, as does the gulag of Stalin's prisons. Thus the amoral Leader is neither transactional nor transformational and is in fact an oxymoron. To be a moral Leader, Burns believed that one must be sensitive to the needs and motives of potential Followers. The purpose of the Leader is fundamental, and the "cult of personality" is totally inappropriate.

Leadership comes from within us, in the sense that deeply held values and principles provide the road map for the way we lead, and the way other people respond. It is always the Leader's personal value system that sustains them in their quest, whether they are a person of impeccable moral fiber, or quite disreputable. This is as true for a modern Leader as it was for Gandhi, Churchill or Mohammed.

Gardner added to this and wrote:

"... we want effective Leadership; but Hitler was [unfortunately] effective. Criteria beyond effectiveness are needed. Ultimately, we judge our Leaders in a Framework of Values [even though] the Framework differs from one culture to the next and from one era to the next".

Gardner called for Leaders who are able to renew Values, and who can also train others – in essence stating that such renewal is the true calling of all Leaders.

- **Leadership and change are synonymous – Leaders innovate**

John Kotter, in his book on 'Leading Change' used the lens of change to drive a distinction between Management and Leadership. He says:

"Management is a set of processes that can keep a complicated system of people and technology running smoothly. The most important aspects of management include planning,

budgeting, organizing, staffing, controlling, and problem solving. Leadership is a set of processes that creates Organizations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles”.

In other words, Leadership is all about setting a vision and an agenda for the future, driving a different future state, and aligning and inspiring people to meet that objective.

- ***Leaders and followers are interdependent – they can't exist without each other***

Leaders can't do it alone – they need the help of others to get things going. They find ways to create groups of Followers, so they can change things together. There is thus symbiosis between Leaders and Followers. Both need each other. Without Followers there are no Leaders. Chester Barnard wrote

“Followers make the Leaders, though the latter may also affect and must guide the Followers”.

One can only be a Leader in so far as you are recognized by others, argued Ralph Stacey. He also defined Leadership as a social process. Followers must follow willingly else the Leader is a dictator. Coercion will not build interdependence, and trust between Leaders and Follower is essential.

Leaders can only get other people to do things that are latent within them. Paradoxically, therefore, the Leader is also a Follower, in the sense of reflecting the wishes of others. Leadership is indeed as much an art as a science, with the implication that it cannot be imposed, as the Follower has a choice and will need to feel motivated and inspired.

- ***Leadership is about successfully handling complexity***

Philip Hodgson & Randall White contend that

“Leadership is identifying productive areas of uncertainty and confusion and leading the Organization into those areas to gain competitive or other kinds of advantage”

A critical task for Leaders is thus the ability to manage increasing levels of uncertainty. As Richard Farson noted, Leadership development is fraught with paradox. People respond to what you are not what you do, and understanding how something works does not mean that you can make it work.

Elliot Jaques suggested that Leaders develop through levels of cognitive complexity, seeing how all the moving parts fit, and then judging how best to nudge them in the right direction. This is an area which is both the same and different over time. Handling complex situations in a smart and effective

way has always been a Leadership characteristic, but it is getting harder given the interconnectedness of today's world, our technologies and our multiple constituencies. Nearly all organizational dysfunction can be traced to poor structure and systems, not deficient employees.

Jaques' "Requisite Organization" is a helpful model that explicitly includes:

- matching personal capability to job complexity
- the right number of organizational layers
- management accountability
- cross functional working relationships
- compensation related to job complexity

And, discussing Leadership and values, Jaques (1995) recognized that values congruence between Leaders and followers is a key to handling complex organizations and situations. He wrote:

"If the CEO can establish over-arching corporate values and philosophies, which are nested within basic societal values, and which meet people's own generic values, he or she can get the whole organization working effectively in the same broad direction It is our values that move us, bind us together, push us apart, and generally make the world go round".

That said I find that Jaques' notion of accountability rests too heavily on the manager "getting it right" on behalf of the employees. Of course, this is partly true – but it does not allow for the possibility of innovation which breaks through traditional models of responsibility. Nor does it (in my view) do enough to encourage people at all levels of an organization to take accountability.

Jaques also uses the "hierarchy" as the way of meeting Customer needs. But in my experience, hierarchies are too concerned with the status quo to truly innovate on behalf of customers' new needs.

And, in the Global context, Jaques does not define how to distribute Leadership at all levels of the organization, across multi-sites and cultures. His work was also focused more on "organization design" than on "operational strategy".

So, is this yet another call for better understanding of Distributed Leadership?

- **Leadership is a teachable process**

Warren Bennis offered that

“The most dangerous Leadership myth is that Leaders are born-that there is a genetic factor to Leadership. This myth asserts that people simply either have certain charismatic qualities or not. That’s nonsense; in fact, the opposite is true. Leaders are made rather than born”

With a process orientation to Leadership, everyone can develop and enhance their Leadership skills. We cannot all aspire to be Churchill, Kennedy, or Gandhi – but we can always do a better Leadership job. We can learn to be better mathematicians, although may never be another Einstein. And we can all learn how to play or sing some form of music even if we will never compose as Mozart did.

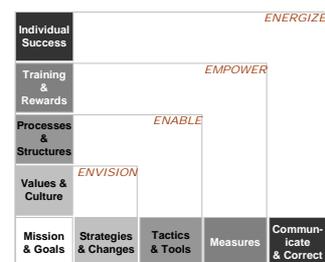
And, because we can train, the results can be measured. Studies by Marshall Goldsmith and others clearly indicate that by using 360⁰ development tools and mapping the process steps of Leadership, personal progress can be made.

“If you can measure it, you can improve it” says Goldsmith.

The 4E’s Framework

Armed with this background, the author’s professional experience and subsequent research have helped the development of a simple Leadership Framework. Its aim is to analyze what Leaders do and how we can all do better.

This framework (Envision, Enable, Empower, Energize) is focused on “actions in use” rather than “espoused” competencies, individual styles, or personality types. It attempts to isolate common characteristics of Leaders, rather than create some kind of “super-set” of perfect Leadership.

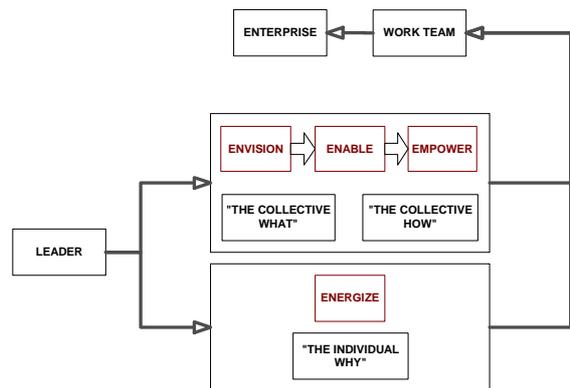


4E’s © copyright Mick Yates

We’ll explore details later, but in short:

- Envision – values-driven setting of goals and strategies
- Enable – identification of appropriate tools, technologies, Organization and people
- Empower – creation of trust and interdependence between Leaders and Follower
- Energize – personal Leadership motor to drive the entire system

The 4E's framework has two axes. One deals with Organizational issues (values, people, structure, rewards etc.), and the other handles task or "operational" concerns (strategies, technology, tools etc). It is designed to include both strategic issues and Leadership requirements. The first three E's are the collective "what" and "why", whilst the last E is the individual "what", for the Leaders and the team.



Envision – This is all about the values-driven setting of goals and strategies. A robust view of the external world drives the formation of the mission, and builds clear goals. Coherent values will be shared by Leaders and Followers to provide a solid foundation. It is helpful to distinguish between verbal objectives (the mission), and numerical objectives (the goals), and between strategies (choices of what to do and what not to do) and tactics (the actions to take). Measurement against the tactics' progress is then essential, as is being clear about the timing sequence.

Enable – The Leaders must identify appropriate tools, technologies, Organization structures and people. On the "Operational" axis, this includes tools, technologies, and business methodologies. "A better mouse trap" is a good mechanism to bring about change.

The second set of enablers (on the "Organizational" axis) includes processes and structure. It also requires ensuring that the right people and skill sets are in place to get the job done, building towards interdependence.

Empower - Creating trust and interdependence between Leaders and Followers. The Leader has a contract with his or her Followers, for mutual success and failure, reward and sanction - so the two are interdependent. Both sides are given mutual freedom, yet held mutually accountable.

On the "Organizational" axis, the team needs the training to get the job done. Empowerment must also bring rewards, and sanctions or challenges for improvement. On the "Operational" axis, Leaders and Followers must measure progress, which encourages dialog and continuous improvement.

Energize - On the “Organizational” axis, the maximum energy will result from the combination of winning (in the marketplace) and achieving a sense of personal success and satisfaction. This requires clarity of purpose. The more energy the team generates, the more energy the Leader has – in a virtuous circle of reinforcement.

How do Leaders best Energize their teams?	
Providing constructive criticism	5%
Taking timely decisions	6%
Making complex situations simple	28%
Remaining optimistic	19%
Telling inspirational "stories"	8%
Helping deal with different opinions	3 %
Appreciating the value of diversity	22%
Other	5%

On the “Operational” axis, continuous communication and course corrections are the key activities. This includes “walking the talk” and having a clear and persuasive “story”. The Leader is a kind of motor for the change providing energy to the team.

The 4E’s Framework is contingent ...

The 4E’s is a “contingent” approach, in that its execution depends on the situation the Leader finds him or he self in. But it is different to both the “Contingency Theory” of Leadership and “Situational Leadership”.

Fielder moved away from “Great Man” and traits, and also largely from behavioural analysis, to develop Contingency Theory (1967). This reflects the situations Leaders find themselves in, and is all about “... *directing and coordinating the work of group members*”. Fielder also was clear that the essence of a Leader’s personality will remain unchanged – “you are what you are”.

He wrote:

“... the effectiveness of a group depends on two interacting factors: (a) the personality of the Leader (Leadership style), and (b) the degree to which the situation gives the Leader control and influence, or, in somewhat different terms, the degree to which the situation is free of uncertainty for the Leader”.

His theory states that Leaders are either task motivated or relationship motivated and they have power via their position. Contingency is well researched, and is a very helpful model. Leadership depends on the situation at hand and the Followers present – Leadership is thus not a fixed individual characteristic, set of traits or behaviours.

Nevertheless, Contingency Theory misses the strategic and organizational dimension. Once one understands the situation, what Framework is there for the Leader to Envision the future, and understand and choose strategies and tools to enable success? And where is the focus on communicating with, Empowering and Energizing others?

Hershey and Blanchard (1969) built on Contingency and the Blake - Mouton Grid. They measured behaviour in different situations, using the complementary axes of “task” and “relationship”. Their proposition was that Leaders can actually adapt their style depending on the situation they are in.

- high task, low relationship - telling is every Leader's first choice?
- high task, high relationship - requires the Leader to “sell” his or her position
- low task, high relationship - needs participatory activity from others
- low task and low relationship - Leader must delegate the task

This is a popular training (and consultancy) model, and it is clearly helpful to Leaders to be able to identify in which kind of situation they find themselves, and how they might respond.

Yet personal development across the broad palette of strategic and tactical skills once more is open to question. What does the model do to help Leaders decide the “what” they have to do, as opposed to the “how”? There are thus similar questions as with contingency theory.

And, are we to change Leader’s behaviours in a “manipulative” fashion depending on what we are trying to achieve? Finally, even though there is a focus on degree of relationship, the model does little to help the Leader authentically enter new relationships with Followers.

Case study

Save the Children is one of the World’s best known NGO’s, and was founded in the UK in 1919 by Eglantyne Jebb. Eglantyne innovated in instituting modern scientific and management methods to “charity” work, and stressed sustainable programs and “self help” rather than “handouts”. She also

was the architect of what was to become the United Nations Convention on the Rights of the Child, adopted by all Nations on Earth except one.

Save the Children have field operations in over 110 countries. Organizationally, Save the Children is a decentralized Alliance of 27 independent, individual country Members (e.g. Save the Children USA, Save the Children UK, Save the Children Japan etc.). Different Members sometimes adopt different programmatic focus areas. For example, some Members are very “child rights” and advocacy focused, whereas other can be more “field driven”.

A 2004 project with three pilot countries within the Save the Children organization started by tailoring the organization’s Leadership standards within a 4E’s frame, and then moved through on-line self assessments to team workshops and follow up interventions. The 4E’s was not used to “score” one organization against another, but instead formed a basis for internal benchmarking and action.

Two core findings emerged. First, the strengths of the organizations involved were very consistent across the globe, shown in the consistency of responses sorted by “top 5 answers”. This included a focus on such things as values driven activities, taking personal responsibility and encouraging diversity.

On the other hand, relative weaknesses varied markedly, so providing a very fruitful basis for internal action planning. This allowed the 4E’s to become central to the Alliance’s “Best Practices in Leadership”, made available globally to all 27 member countries.

Let me digress to tell another short story, by coincidence related to Save the Children.

Learning from Cambodia

For some years my family has been involved in helping a program building schools in Cambodia. Parts of the Country only got out from under the Khmer Rouge in 1998, when Pol Pot died – and there had been virtually no decent schooling for thousands of children for 20 years. When we first visited, we remember being told that the kids had been taught to plant land mines by the Khmer Rouge teachers. Now, to be clear the average Khmer Rouge soldier was just like every other Cambodian – a family man, wanting to live in peace and prosperity.

Anyway, early in 2000 we travelled to Trapeang Prasat, near the Thai border. That area had been under Khmer Rouge control since the 1970's. We met a soldier's family. He and his wife had 4 children, one of whom seemed to have a leg problem. They were clearly poor, but proud, and explained through an interpreter that all they wanted was for their children to go to school. There was a new school nearby, so the program helped extend it.

Just over two years later, we visited the school, now serving over 600 students of all grades. A lady approached us, wearing a smart pink silk suit, and holding her young son's hand. It was the same lady we had met before. Now, her son was at school, and by all accounts doing well. Even more, she was deputy chair of the Commune committee, and heavily involved in school activities. All she and her family needed was to be offered an opportunity – the rest they took care of themselves.

The Moral of the story

Empowerment is really critical, and control is not a long term strategy.

Anyway, let's move back to the fourth and final "E" – Energize.

Energize - The personal Leadership motor to drive the entire system. On the "Organizational" axis, the maximum energy will result from the combination of winning (against the shared goal) and achieving a sense of personal success and satisfaction. This requires clarity of purpose. The more energy the team generates, the more energy the Leader has, in a virtuous circle of reinforcement. On the "Operational" axis, continuous communication and course corrections are the key activities. This includes "walking the talk" and having a clear and persuasive "story". The Leader is a motor for the change providing energy to the team.

In summary, there are tectonic changes in the world, and nationalities have distinct macro cultural characteristics. Yet Global Leaders can also count on some of the fundamental truths of Leadership, which scholarly study and practical experience has handed down to us. Now, we are armed with enough insight to create our Global Leadership Framework.

6. Global Leadership Framework

There are four areas of Global focus: Distributed Leadership, Loose-Tight Innovation, Networks of Trust and Strategic Engagement, And I am suggesting that we use the 4E's "Envision, Enable, Empower, Energize" Leadership Framework to highlight the Leadership process.

So, let's combine them.

	Envision	Enable	Empower	Energize
Distributed Leadership	Common values Common purpose Integrate paradoxes	Roles & responsibilities Decision processes	Training & Development Delegation of authority	"Action Learning" Minimum layering
Loose-Tight Innovation	Knowledge sharing Networks of Innovation	Success Models Local Innovation	Reward innovation	Encourage change Technology
Networks Of Trust	Collective Purpose	Searchability Member Identities	Communities of Excellence	Actionability
Strategic Engagement	Global / local knowledge Customer understanding Technology impact	Common systems Common work-culture OGSM	Integrated Goal Setting Feedback systems	Communication to all Facilitate "Walk the Talk"

Global Leadership Framework © copyright Mick Yates

A. Distributed Leadership

Senior Managers of most Enterprises seem to be pre-occupied with two people development issues - first, how to reward and develop high potential people, and, second, how to win "the war for talent". Both are important. But both, if not thoughtfully considered, can have unexpected effects.

First, most Organizations have a large group of middle rank employees who keep the wheels turning. These same people could, if suitably encouraged, trained and rewarded, be increasingly positive contributors to the collective success. By contrast, an over-focus on top performers can distract from

encouraging this "middle group". Having a few outstanding managers is powerful - but imagine the strength in getting an entire Organization inspired and feeling well rewarded.

Second, winning the external war for talent is of course important in keeping an Organization's DNA vital and energetic. But it often seems easier to hire a high flying manager than it is to help large groups of existing employees learn to do a better job, use their experience and enjoy doing it.

It is my contention that the test of great Leadership is to raise the standard across the entire organization, and not just focus on a few key players – hence the focus on Distributed Leadership.

So the “Envisioning” focus is on the creation of common values, and creating common purpose. The aim is always to push responsibility out to wherever the decision can best be taken. “Enabling” demands that clear roles and decision processes are in place, and “Empowerment” is about providing the necessary training and development throughout the Enterprise.

Cutting out non-essential organizational layers can help (note Elliot Jaques’ work), and the use of Action Learning programs, are amongst the “Energizing” activities.

B. Loose-Tight Innovation

Knowledge must be shared, yet local innovation encouraged. A “Success Model” defines the critical elements of a project, and identifies which items of execution are not so critical. It must be remembered that successes all happen somewhere first – very few “go Global” day one. So capturing the learning, course correcting and improving are essential actions.

The subtlety of course is in defining what is “Globally common” and what is “locally different”. Some things which need to be included in a Success Model are:

- **Customer Needs:** What exactly is being delivered that is of value to the buyer?
- **Product or Service Advantage:** What exactly is the sustainable advantage over competition?
- **Critical Geographic Differences:** What is locally needed, and what is not (the “80:20”)?

The Leader's role is to encourage (and sometimes enforce) the use of the basic "Success Model", but then to encourage and facilitate innovation at all levels of the Enterprise.

C. Networks of Trust

We all use Networks to communicate ideas and to share knowledge. We have Networks of friends, career advisors, co-workers, clubs, teaching mentors etc. And experience suggests that it is Networks within an Enterprise that get things done rather than simple reliance on the Organization chart.

Dramatic progress is being made in understanding "Small Worlds" (we all may be within 6 degrees of separation of everyone else) and "Scale Free Networks" (represented by the Internet, the airline hub and spoke systems, the gene expression pathways in the body etc.). These imply ways to make Networks more robust, and to speed up communication. Importantly, Networks do not replace current structures, but rather co-evolve with them (Karen Stephenson).

Experience suggests that there are certain characteristics of networks which must be "built in" if they are to be effective.

1. Purpose. Effective Organizational Networks have a human or Organizational purpose which must be pre-defined and then its outputs become can be measurable. This is not always the case with Networks in the scientific literature. For example, whilst one can say we all use the Internet, it is hard to argue that the Internet itself has a purpose other than providing pathways over which information to flow. And, how many of us belong to business networks which actually provide little value other than the social interaction? We might enjoy the socialization, but it does not always further our business needs. Leaders must be clear about the purpose of the networks they create, and ensure all members of the Network both agree with this and use it accordingly.

2. Member identity. This is essentially an accessible catalogue of all of the skills, knowledge, motivations, problems, geographic locations, time linkages, goals and beliefs of everyone in the network, and it is critical to how they interact. This goes beyond a list of roles in the Network, or a list of linkages. Publicizing these identities and proactively connecting "like" members will help form communities from which useful work will emerge. Over time, these communities will become collective experts on certain subjects – something I call "Communities of Excellence", and be empowered to

operate almost autonomously. Clarity on member identities will also help define where the Leadership should be (and maybe already is?) distributed in an Organization, depending on the issue at hand.

3. Actionability. The links between members of the Network must be actionable - meaning that they have practical value in real interactions. For example:

I may be within one “link” of the Prime Minister of Country X, having met him in an earlier role. Whilst it still may theoretically be possible to engage him in a discussion about his Country’s economics, the probability of a serious talk about photography is essentially zero. This link is “non actionable”. On the other hand, we may know photographers via exhibitions - so a future conversation will be extremely easy via these “actionable links”.

A prerequisite of actionability is that individuals must be able to engage in a useful “conversation” with other cluster members – there is little “social distance”. Recall the example I used of the Thai Brand Manager? She would need actionable links with her peers in Australia to be able to get her job done, and probably needed to have been face-to-face with them at least once.

4. Searchability. This is critical in finding existing data, generating new knowledge and thus delivering on the purpose of the Network. Examples of the types of insight we may be seeking include:

- **Informational** – “Where are all the good Thai restaurants in town?”
- **Intellectual** – “What can I learn from the local history”?
- **Actionable** – “How can I get better sales results in this Country”?
- **Relational** – “How can I work better with my local fellow employees?”
- **Judgmental** – “How can I decide the real truth in the local politics”?
- **Contextual** – “How can I integrate the varied aspects of my life?”

It is not necessary to predict an exact search path through a “Small World” Network – just to start it on the right trajectory. Peter Dodds, Roby Muhamed and Duncan Watts note that successful search is conducted primarily through weaker links (e.g. through a “friend of a friend”), does not require highly connected “hubs” to succeed, and disproportionately relies on professional relationships. Successful search paths must be captured and stored – and reused as appropriate by other network members.

5. Trustworthiness. How we can trust the information flowing through a network? I'd offer that the combination of the member identity of an authority (which is transparently available to all members with similar interests) and the actionability of the links contribute to a Network's "trustworthiness". I'd also suggest that defining an authority relates to his or her information flow – they are most likely a net exporter of information. This will build trust over time.

Most of these points are common sense, but it is amazing how often one hears that people want to "network" for "networking's sake". Leaders who want to get things done must consider all five of these points in constructing a truly useful and productive network.

D. Strategic Engagement

Employee engagement is a combination of shared goals and shared values – aided by tools and organization structures which allow people to take appropriate action.

The process of engagement should start with an understanding of the changes facing the Enterprise and work towards building a collective view of the future state. Choices define strategy, so development tends to be an interactive and iterative process, to both get the best ideas on the table and to get involvement in the solution early on.

A successful strategic deployment then ensures that all members of the Enterprise understand and can contribute to the execution of the plan. A detailed plan should be built using objectives, goals, strategies, tactics and measurements.

This specific tool (OGSM) was pioneered in Procter & Gamble and is now used by many other Enterprises. This not only details the plans but also provides a way of tracking progress. It can be cascaded throughout the Organization, with higher level tactics becoming lower level goals. This can align the entire Organization around a common action plan, and so help communication between all levels on what is working and what needs modification.

Adding to this the "RASCI" definitions ensures that everyone knows who is responsible, who has to agree, who can support, who needs to be consulted and who should be informed

7. Summary

We are more the same than we are different, and the Leadership process is much as it has always been. Leaders must have a great vision and strategy, find competitive tools, technology and great people; train and empower everyone in the organization to do the job, and then energize and inspire them all. That all sounds so simple!

Less simple is how to balance the forces of Globalization, which are simultaneously pulling us all together and giving us the opportunity to go our own, fragmented ways. And then how do we balance the macro cultural forces at work, with the individual needs of our stakeholders?

There are no easy answers, but there are any clues. I hope that this chapter has helped both pose the right questions, and lay out ways to think about finding the answers which will work for you.

8. Bibliography

Author	Date	Title	Publisher
Amado, Gilles & Ambrose, Anthony	2001	<i>Transitional Approach To Change</i>	Karnac
Barabási, Albert-Lázló	2002	<i>Linked</i>	Perseus
Barnard, Chester	1935	<i>Functions Of The Executive</i>	Harvard
Bennis, Parikh & Lessem, Ronnie	1994	<i>Beyond Leadership</i>	Blackwell
Bennis, Warren	1989	<i>On Becoming a Leader</i>	Arrow
Bennis, Warren & Nanus, Bert	1985	<i>Leaders</i>	Harper
Buchanan, Mark	2002	<i>Small World: Uncovering Nature's Networks</i>	Weidenfeld & Nicholson
Burns, James MacGregor	1978	<i>Leadership</i>	Harper & Row
Burt, R. S.	1980	<i>Models Of Network Structure</i>	Annual Review of Sociology
Dreher, A. Gaston, N. Martens, P.	2008	<i>Measuring Globalization – Gauging it's Consequences</i>	Springer
Dodds, Peter Muhamed, Roby & Watts, Duncan	2003	<i>An Experimental Study of Search in Global Social Networks</i>	Science Magazine
Galbraith, Jay	2002	<i>Designing Organizations</i>	Jossey Bass
Gardner, John W.	1990	<i>On Leadership</i>	Free Press
Goldsmith, Marshall et al	1996	<i>Leader Of The Future, The</i>	Drucker/Jossey Bass
Granovetter, M.	1973	<i>The Strength Of Weak Ties</i>	American Journal of Sociology
Grint, Keith	1997	<i>Leadership: Classical, Contemporary And Critical Approaches</i>	Oxford
Hanna, David	1992	<i>Designing Organizations For High Performance</i>	Addison Wesley
Gronn, Peter	2002	<i>Distributed Leadership as a unit of Analysis</i>	Leadership Quarterly
Kotter, John	1996	<i>Leading Change</i>	Harvard Press
Jaques, Elliott & Clement, Stephen	1991	<i>Executive Leadership</i>	Cason & Hall
Jaques, Elliott	1986	<i>Requisite Organization: the CEO's Guide ...</i>	Cason & Hall
Shaw, Robert	1997	<i>Trust In The Balance</i>	Jossey Bass
Stacey, Ralph	2001	<i>Complex Responsive Processes In Organizations</i>	Routledge
Stephenson, Karen	1998	<i>What Knowledge Tears Apart, Networks Make Whole</i>	Internal Communication Focus
Stogdill, R.M.	1948	<i>Personal Factors Associated With Leadership: Survey Of Literature.</i>	The Journal of Psychology
Trompenaars, Fons	1993	<i>Riding The Waves Of Culture</i>	Nicholas Brealey

Watts, Duncan	2004	<i>Six Degrees</i>	Vintage
Yates, Mick	2004	<i>The 4E's Leadership Framework (MSc)</i>	HEC, Paris